

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division

In re

Case No. BK 05-38816-DOT

RONALD DARNELL JOHNSON
TAWANDA RACHELE JOHNSON,

Debtor

ECF ORIGINAL

MOTION

DEBTORS' MOTION TO APPROVE COMPROMISE

Come now your debtors, RONALD DARNELL JOHNSON and TAWANDA RACHELE JOHNSON, by counsel, and move the Court to approve a compromise and settlement of the Trustee's Complaint objecting to discharge.

- (1) Debtors filed this case originally as a pre BAPCPA Chapter 7 on September 27, 2005. At the time the debtors were represented by attorney Maxine Chomolney.
- (2) Bruce H. Matson was appointed Chapter 7 Trustee, and is still acting in that capacity.
- (3) The meeting of creditors mandated by Section 341 of the Bankruptcy Code was adjourned a number of times. During that time certain "scheduling issues" developed.
- (4) On January 6, 2006, the Trustee filed an adversary proceeding objecting to the debtors' discharge based on the "scheduling issues".
- (5) Debtors' obtained new bankruptcy counsel, Leonard Starr, to respond to the challenge to discharge. Attorney Maxine Chomolney withdrew.
- (6) Debtors' with their new counsel filed a vigorous defense to the Trustee's objection to discharge.
- (7) The debtors and the Trustee, subject to the court's approval, have come to an agreement and settlement regarding the Trustee's challenge to discharge.

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SCANNED

- (8) Under the terms of the agreement the debtors' have borrowed the sum of \$30,000.00 which, subject to this court's approval, they will pay to the bankruptcy trustee for the benefit of the bankruptcy estate, and the Trustee will dismiss his objection to the debtors' discharge, thereby allowing the debtors' discharge to be granted by the court. The Trustee will then file a "No Asset Report" allowing the case to close.
- (9) The proposed payment into the bankruptcy estate for what will otherwise be a "no asset" case will allow for payment of administrative expenses and a distribution to creditors whose claims are allowed. This payment will put the bankruptcy estate in a better position than it would have been in and is in the best interest of creditors.
- (10) FACTORS IN CONSIDERING COMPROMISE APPROVAL - In determining whether to approve a compromise, the Court must look at various factors and determine whether the compromise is in the best interest of the estate and whether it is fair and equitable to the creditors of the estate. In re Frye, 216 B.R. 166, 174 (Bankr.E.D.Va.1997). These factors include: (1) the probability of success in litigation; (2) the potential difficulties, if any, in collection; (3) the complexity of the litigation involved and the expense, inconveniences and delays necessarily attending it; and (4) the paramount interest of the creditors.
- (11) COMPROMISE IN THE BEST INTERESTS OF CREDITORS - Considering the expense, risks and uncertainty of litigation, and the delay in administering the bankruptcy estate, it is submitted that the proposed "Compromise" is in the best interest of the bankruptcy estate and creditors and should be approved.

WHEREFORE, the Debtors request that the Court approve the settlement agreement, and that an Order be entered consistent with this Motion.

WHEREFORE, the Movants having stated the basis of their motion in law and in fact it is

REQUESTED that the requirement of a Memorandum of Points and Authorities pursuant to Local Rule 9013-1 be deemed complied with, Responding parties are reminded that Local Rule 9013-1 requires opposing parties of a motion to file a response including a like

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Memorandum of points and authorities and such supporting documents as are then available.

RONALD DARNELL JOHNSON
TAWANDA RACHELE JOHNSON



/s/ Leonard E. Starr, III

Leonard E. Starr, III

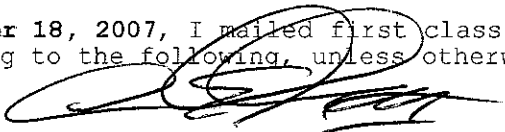
October 18, 2007

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PROOF OF SERVICE

I certify that on **October 18, 2007**, I mailed first class, prepaid postage a copy of the foregoing to the following, unless otherwise indicated.


/s/ Leonard E. Starr, III

Leonard E. Starr, III

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